

Moultonborough
2011 Library Budget
Recommendations and Comments



Advisory Budget Committee

Thursday, January 27, 2011

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To the Board of Library Trustees
Moultonborough Public Library
Moultonborough, New Hampshire 03254

The ABC has completed its' review of the 2011 Proposed Library Budget.

Moultonborough is one Town with "One Consolidated Tax Rate". The ABC will continue to stress the concept of One Town/ One Tax Rate and consolidated services where we believe redundancies exist. The Trustees continue to re-enforce their understanding of the relevant RSA provisions defining Trustee responsibility for governing public libraries within the state of New Hampshire. The powers and duties of Library Trustees are defined in the state statutes Chapter, Title XVI; 202-A: 11. The Library is funded with taxpayer dollars although it is run independently from the Town Administration.

The following report represents our independent opinions and suggestions. Any opinions and suggestions offered by the ABC represent our best efforts to maximize efficiencies, spending power and to consolidate redundancies between the various elements of Town-wide Administration (Town, Library, and School). Our suggestions and opinions should not be viewed as a negative reflection of the dedicated work done by the Library Trustees or Director of the Library Operations.

Budget Summary:

The proposed Library Budget for 2011 represents \$444,061 as compared to \$450,397 for the 2010 year. This represents a decrease of \$6,336; a 1.40 % year-over-year decrease. While encouraged to see that the Trustees have reduced their year over year budget, the ABC has the following concerns. Operating expenses were reduced \$6,500 including books and reserves (typically used for technology). Total Salaries and Benefits remain flat from 2010 to 2011, however, the Budget for 2011 includes 4.8 % pay increases for all staff, offset by a \$6,672 reduction in health insurance costs due to the change in plan status for one employee.

OBSERVATIONS & COMMENTS:

Salary & Benefits

The ABC commends the trustees this past year for holding 2010 salaries consistent with the 2009 level. We believe this was the right decision given the current economic environment. The ABC notes that the Library trustees have chosen to raise wages in 2011 across the board by 4.8%. While the ABC believes all employees in 2011 should receive some salary increase, the majority of the committee does not support an across the board increase of 4.8%.

Accounting and Administration

Other Non-Core Library activities: We continue to make the following observation related to Accounting.

Currently, the Library Trustees process all Library invoices for payment of goods and services manually. The committee believes that over the past several years the Library has grown considerably and that the time and effort currently expended could be more productively focused on activities directly involved in the operation of core Library Affairs. The committee believes that the Library Trustees should continue to maintain control and management over the approval process for invoice payment. However, all invoices once approved by the Library could be turned over to the Town Administrative Staff for computerized processing. Additionally, centralized

processing of the accounts payable would facilitate production of a consolidated Library Financial Report. Currently, the payroll is processed by the Town and the expenditures are processed by the Library on separate accounting systems. A comprehensive departmental financial report is not produced. Having all accounting processed centrally would facilitate such a report. Consolidated accounting would also expedite the year end audit process. The majority of the committee supports transfer of processing accounts payable to the Town Administrative Staff.

Reserve Fund/computers/printers

The Committee is pleased to see that the trustees have established a reserve fund for replacement of technology as suggested in our last few reports. Currently the fund has a balance of approximately \$6,000. The committee believes the trustees need to continue to fund this reserve. Given the trends of increased sophistication and reliance on technology by society, we anticipate the Library's patrons will expect similar advancements in electronic media at the Library.

Cash Management

The Committee recommends that a formal long term cash management policy be developed that includes annual review and coordination (consolidation where feasible) of all bank accounts in order to maximize return on investment. The Trustees should outline a plan for future development needs and related cash requirements.

Conclusion:

We would like to thank the Library Trustees for their consideration and implementation of our prior recommendations and hope that we can continue mutual improvements to the Town Library.

We believe that the proposed budget for operating expenses of \$444,061 as submitted is a comprehensive representation of the cost to operate Moultonborough's Library for 2011.

Other opportunities that should be pursued for further future cost improvement are:

- Joint maintenance of building and grounds activities, janitorial services,
- Shared processing of accounts payable,
- Bulk purchase of common supplies and services.

We believe these opportunities can be accomplished while maintaining the high quality of services and autonomy currently offered by the Moultonborough Library.

The Town Administration and Library Trustees should work together to facilitate all feasible cost sharing opportunities in 2011. We firmly believe cooperative sharing of non-core services will provide the Trustees autonomy to direct the Core Library functions as per the intent of the RSA's, while reducing redundant costs for the Taxpayer.

Respectfully submitted,

Moultonborough Budget Advisory Committee

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Ed Marudzinski
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